producing consultancy subsidiary of CIL, has also incurred losses during the year 2000-2001.

(d) ECL, BCCL and CCL, the three loss making subsidiary companies of CIL, have been referred to BIFR under the Sick Industrial Companies (Special Provisions) Act. 1985 for substantial erosion of their net-worth.

(e) In February, 1996, a package of capital restructuring of CIL was approved by the Government in order to revive the loss making companies, whereby CIL's overdue liabilities of Rs. 2228.57 crores were taken care of by waiver of arrears of interest, partly by conversion to preference equity and partly by moratorium on repayment and interest accrual. These benefits were passed on to the loss making subsidiaries such as ECL and BCCL. Further, in order to improve the performance of the loss making companies of ECL and BCCL, CIL had effected an internal restructuring of the equity and loan structure of its subsidiaries whereby debts of Rs. 994 crores in ECL and Rs. 1,180.70 crores in BCCL. were converted into equity. Since 1982, the losses of the losing companies of CIL were being subsidised through a mechanism of Coal Price Regulation Accounts. This has been discontinued since 1997.

Private Sector participation in the excavation and extraction of precious metals

† 306. SHRI JANESHWAR MISHRA: Will the Minister of COAL AND MINES be pleased to state:

(a) whether Government are considering to entrust the task of excavation and extraction of precious metals to the private sector;

(b) if so, the details thereof;

(c) whether it is also a fact that Government arc considering to provide all facilities for foreign investment in the mining sector under the pressure of multinational companies; and

(d) if so, the reasons therefor?

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† Original notice of the Question was received in Hindi.

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) The National Mineral Policy of 1993 recognised the need for encouraging private investment including foreign direct investment and State-of-the-Art technology in mineral sector, and had *inter-alia* stated that induction of foreign technology and foreign participation in exploration and mining for high value and scarce minerals shall be pursued.

Accordingly, 13 minerals hitherto reserved for public sector were thrown open for private investment. These included iron ore, manganese ore, chrome ore, sulphur, gold, copper, lead, zinc, molybdenum, tungsten, diamond, nickel and platinum group of metals. Further, restriction on foreign equity holding in mining sector companies registered in India had been removed in 1994. At present, in line with the policy of the Government to encourage private investment in the mining sector, including foreign investment, all proposals for foreign direct investment in the mining sector arc eligible for automatic approval, except for precious stones and diamonds, for which automatic approval for foreign direct investment is permissible up to 74% and except also for fuel and atomic minerals, for which a separate Foreign Direct Investment Policy applies.

Revision of Coal Royalty Rates

307. SHRI C.P. THIRUNAVUKKARASU^Will the Minister of COAL AND MINES be pleased to state:

(a) whether it is a fact that the State Governments are requesting for revision of coal royalty rates;

(b) if so, Government's reaction thereto;

(c) whether any Committee has been set up to look into the issue; and

(d) if so, whether any report has been submitted to Government?

THE MINISTER OF STATE IN THE MINISTRY OF COAL AND MINES (SHRI RAVI SHANKAR PRASAD): (a) to (d) Yes,